

INSURANCE CODE

TITLE 21. DISCOUNT HEALTH CARE PROGRAMS

CHAPTER 7001. REGISTRATION OF DISCOUNT HEALTH CARE

PROGRAM OPERATORS

Sec. 7001.001. DEFINITIONS. In this chapter:

(1) "Discount health care program" means a business arrangement or contract in which an entity, in exchange for fees, dues, charges, or other consideration, offers its members access to discounts on health care services provided by health care providers. The term does not include an insurance policy, certificate of coverage, or other product otherwise regulated by the department or a self-funded or self-insured employee benefit plan.

(2) "Discount health care program operator" means a person who, in exchange for fees, dues, charges, or other consideration, operates a discount health care program and contracts with providers, provider networks, or other discount health care program operators to offer access to health care services at a discount and determines the charge to members.

(3) "Health care services" includes physician care, inpatient care, hospital surgical services, emergency services, ambulance services, laboratory services, audiology services, dental services, vision services, mental health services, substance abuse services, chiropractic services, and podiatry services, and the provision of medical equipment and supplies, including prescription drugs.

(4) "Marketer" means a person who sells or distributes, or offers to sell or distribute, a discount health care program, including a private label entity that places its name on and markets or distributes a discount health care program, but does not operate a discount health care program.

(5) "Member" means a person who pays fees, dues, charges, or other consideration for the right to participate in a discount health care program.

(6) "Program operator" means a discount health plan program operator.

(7) "Provider" means a person who is licensed or otherwise authorized to provide health care services in this state. Added by Acts 2009, 81st Leg., R.S., Ch. 1331 (H.B. 4341), Sec. 2, eff. September 1, 2009.

Sec. 7001.002. EXEMPTION. This chapter does not apply to a program operator who is an insurer and who holds a certificate of authority under Title 6, or a health care sharing ministry operated under Chapter 1681.

Added by Acts 2009, 81st Leg., R.S., Ch. 1331 (H.B. 4341), Sec. 2, eff. September 1, 2009.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 455 (S.B. 874), Sec. 5, eff. June 14, 2013.

Sec. 7001.003. RULES. The commissioner shall adopt rules in the manner prescribed by Subchapter A, Chapter 36, as necessary to implement this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1331 (H.B. 4341), Sec. 2, eff. September 1, 2009.

Sec. 7001.004. REGISTRATION REQUIRED. A discount health care program operator may not offer a discount health care program in this state unless the program operator is registered with the department.

Added by Acts 2009, 81st Leg., R.S., Ch. 1331 (H.B. 4341), Sec. 2, eff. September 1, 2009.

Sec. 7001.005. APPLICATION FOR REGISTRATION AND RENEWAL OF REGISTRATION. (a) An applicant for registration under this chapter or an applicant for renewal of registration under this chapter whose information has changed shall submit:

(1) a completed registration application on the form prescribed by the department indicating the program operator's name, physical address, and mailing address and its agent for service of process;

(2) a list of names, addresses, official positions,

and biographical information of:

(A) the individuals responsible for conducting the program operator's affairs, including:

(i) each member of the board of directors, board of trustees, executive committee, or other governing board or committee;

(ii) the officers of the program operator; and

(iii) any contracted management company personnel; and

(B) any person owning or having the right to acquire 10 percent or more of the voting securities of the program operator;

(3) a statement generally describing the applicant, its facilities and personnel, and the health care services or products for which a discount will be made available under its discount health care programs;

(4) a list of the marketers authorized to sell or distribute the program operator's programs under the program operator's name, a list of the marketing entities authorized to private label the program operator's programs, and other information about the marketers and marketing entities considered necessary by the commissioner; and

(5) a copy of the form of all contracts made or to be made between the program operator and any providers or provider networks regarding the provision of health care services or products to members.

(b) After the initial registration, if the form of a contract described by Subsection (a)(5) changes, the program operator must file the modified contract form with the department before it may be used.

(c) As part of the registration required under Subsection (a), and annually thereafter, the program operator shall certify in writing to the department that its programs comply with the requirements of this chapter and Chapter 562.

Added by Acts 2009, 81st Leg., R.S., Ch. 1331 (H.B. 4341), Sec. 2, eff. September 1, 2009.

Sec. 7001.006. FEES. A discount health care program operator shall pay the department an initial registration fee of \$1,000 and an annual renewal fee in the amount set by the commissioner not to exceed \$500.

Added by Acts 2009, 81st Leg., R.S., Ch. 1331 (H.B. 4341), Sec. 2, eff. September 1, 2009.

Sec. 7001.007. DEPOSIT IN OPERATING ACCOUNT. All fees collected by the department under this chapter shall be deposited to the credit of the Texas Department of Insurance operating account.

Added by Acts 2009, 81st Leg., R.S., Ch. 1331 (H.B. 4341), Sec. 2, eff. September 1, 2009.

Sec. 7001.008. CRIMINAL BACKGROUND CHECK. The department may conduct a criminal background check on:

(1) the individuals responsible for conducting the program operator's affairs;

(2) each member of the board of directors, board of trustees, executive committee, or other governing board or committee;

(3) the officers of the program operator;

(4) any contracted management company personnel; and

(5) any person owning or having the right to acquire 10 percent or more of the voting securities of the program operator.

Added by Acts 2009, 81st Leg., R.S., Ch. 1331 (H.B. 4341), Sec. 2, eff. September 1, 2009.

Sec. 7001.009. ENFORCEMENT. (a) The department may deny a registration application or take any action authorized under Chapters 82, 83, and 84 if the department determines that the applicant or registered discount health care program operator, individually or through an officer, director, or shareholder:

(1) has wilfully violated a provision of this code or an order or rule of the commissioner;

(2) has intentionally made a material misstatement in

the registration application;

(3) has obtained or attempted to obtain a registration by fraud or misrepresentation;

(4) has misappropriated, converted to the applicant's or registration holder's own use, or illegally withheld money belonging to a member of a discount health care program;

(5) has engaged in fraudulent or dishonest acts or practices; or

(6) has been convicted of a felony.

(b) Chapter [2001](#), Government Code, applies to an action taken under this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 1331 (H.B. [4341](#)), Sec. 2, eff. September 1, 2009.